A Guide to Building and Maintaining Michigan RSAs (MiRSAs^{SM})

This guide has been developed to help both current and potential MiRSA Conveners and participants understand the MiRSA initiative and how to develop a MiRSA. You will find an introductory section that explains what Regional Skills Alliances (RSA) are and how the Michigan RSAs work. Second, there is a section on how to initiate planning for a new MiRSA. Finally, you will find a section for how to apply for state designation of a MiRSA. There are also appendices that include several examples of necessary documentation.

Table of Contents

Introduction

What is an RSA?

Throughout the country, public-private partnerships have developed to address workforce needs. These have come to be known as Regional Skills Alliances (RSA) or Regional Skills Partnerships (RSP). According to the National Governor's Association (NGA) Center for Best Practices, RSAs are "consortia of firms, educational institutions, and other community partners that tackle common problems facing a targeted industry in a region." RSAs provide a promising vehicle for preparing unemployed and low-income workers for entry level and higher level jobs in an industry, upgrading the skills of incumbent workers, and tackling industry-based skill shortages."

Key advantages of these partnerships include:

> ➢ The promotion of collaboration among firms within an industry and region.

> ➢ Bridging the gap between the public and private sectors. Since partnerships create a forum for solving problems within an industry, they provide an effective forum for communicating the needs of business to local educational institutions.

> ➢ They go beyond traditional supply-side approaches to workforce development, which focus on the needs of workers and training institutions. Instead RSPs shift to demand-side approaches, which address employers' core needs.

Several other states and regions have developed these public-private partnerships to address workforce problems. Examples include:

Wisconsin Regional Training Partnership. This is a non-profit organization that was formally launched as a workforce alliance in 1992. The board of directors is composed of equal numbers of management and labor representatives. The partnership includes 100+ member companies and their labor unions, as well as the local technical college, welfare-to-work agencies, and the local workforce development board. The mission of the Wisconsin Partnership is to support high-performance workplaces and family-supporting jobs in the Milwaukee metropolitan area. This Partnership has three broad areas of focus: education and training for incumbent workers; modernization of the industry, including high performance practices; and development of the future workforce, including school-to-work programs. You can find more information on its website: http://www.wrtp.org/.

New Century Careers in Pittsburgh, Pennsylvania. New Century Careers (NCC) is a private, nonprofit organization that acts as the focal point for greater Pittsburgh's manufacturing workforce development services. It provides services such as marketing, recruitment, screening, training, placement and post-placement assistance that are designed to meet manufacturers' needs for skilled and semi-skilled workers. The board is composed primarily of industry representatives, industry association representatives, and key partners in vocational and training schools and community colleges. More information is available on its website: http://www.ncsquared.com/.

What are MiRSAs and how did they develop?

Background

Since 2004, the State of Michigan has promoted MiRSAs as a tool that can bring coherence to the way the public workforce agencies cope with worker shortages, skill shortages, training mismatches, and other problems faced by industries important to regional economies. In addition to those RSAs that have received grants, others are in development. The potential for MiRSAs, however, has scarcely been tapped.

When an important industry cluster in Michigan experiences an emerging or persistent workforce problem, where should it turn? Currently, a wide range of local and state entities might be able to help, but in most areas it is difficult to identify a single entity that can provide a coordinated effort to solve the problem. In a time of rapidly changing competitive challenges, employers simply do not have time to cast about hoping to stumble upon the right answers.

The public workforce system was not structured to respond quickly and knowledgeably to such issues. It was designed to address case-by-case matching of workers and jobs. This difference between the traditional approach and the MiRSA approach drives many aspects of the current RSA effort and will help shape of the initiative for the future.

What is a MiRSA?

MiRSAs foster effective solutions to systemic and structural workforce problems. With employers in the lead, MiRSAs organize existing public and private sector capacity and develop new capabilities as necessary. When groups of employers are pulled together to form the hub of a MiRSA, they can identify common issues that may lend themselves to common solutions.

While RSAs can look quite different from one state to another, Michigan RSAs are part of a vision of workforce development shared among several Michigan departments and agencies. In particular:

- A MiRSA is a regionally and industry-based partnership among employers, educational institutions, training providers, economic development organizations, and public workforce system agencies. All of these groups come together to plan for and solve workforce problems in an innovative way with a commitment to doing so over the long term.

- A MiRSA is a vehicle that allows the workforce system to be agile and flexible in responding to the needs of employers in a key regional industry cluster.

- While each MiRSA focuses on a particular industry cluster, several MiRSAs may operate within one region or in overlapping regions.

- MiRSAs are one tool for workforce development, but by no means the only one. They do not replace workforce boards, One-Stops, education and training providers, or other entities. Instead, they provide a conduit through which those organizations can partner and ensure that their services become more coherent, valuable, and accessible.

- MiRSAs bridge the gaps that separate the workforce system, economic development, education and training, and employers.

- They influence resource allocation and service delivery decisions by all participants in a way that is more employer-centered.

> **MiRSAs are:**
> - **Employer led**
> - **Industry-based**
> - **Regionally focused**
> - **Knowledge-driven**
> - **Strategic workforce partnerships**

- The geographic scope of an MiRSA is typically the labor market, not an artificial boundary.

- All regions of the state have the need and opportunity to create MiRSAs.

- While there are industries of importance statewide, an effective Convener can identify industries of regional importance and engage key leaders in those industries better than the State can.

- Coherent workforce strategy articulated by a MiRSA can reveal and foster career paths within and across industries that include jobs at various wage rates and demand different skill levels; this benefits all workers in a region.

- An effective MiRSA will attract funds from a variety of sources, including modest startup funding from the State of Michigan.

Who Participates in a MiRSA?

A MiRSA includes a range of actors, but is facilitated by a Convener, which is an entity with industry expertise and credibility with employers. Conveners of the RSA should be key players in the community who have a role

in solving the workforce needs of the industry cluster and addressing the need for good jobs for community residents. Key stakeholder partners should include:

➢ Employers
➢ Public workforce system agencies
➢ Economic development groups
➢ Training and education providers
➢ Community-based organizations

The exact membership of a MiRSA should be determined according to the circumstances within the region and industry cluster.

What do MiRSAs do?

A MiRSA provides a structured, supported forum in which the human capital problems of an industry cluster can be analyzed and addressed. It helps employers address the problems they experience in more sophisticated ways than they could alone. Typically, a Convener and a MiRSA will take on most or all of the following generic functions, although *how* they are carried out varies widely across the state.

Before the MiRSA is launched, the leading organization, known as the Convener:

➢ Analyzes the region's workforce and economy.

➢ Determines which current and emerging industries are key to the present and future economies of the region.

➢ Identifies the broad workforce challenges that may be affecting those key industries.

➢ Uses the results of its analyses, conducts market studies and recruitment among employers and other potential partners to determine interest in forming a MiRSA.

MiRSAs will:

- **Make Michigan more attractive to employers.**
- **Improve opportunities for workers.**
- **Coordinate workforce services to industry clusters.**
- **Strengthen key industries across the state.**

As the MiRSA becomes operational, it:

➢ Works with many employers in a targeted industry cluster to illuminate and refine its understanding of the workforce challenges they face.

➢ Draws on industry associations, community colleges or local workforce agencies for access to information about industry trends and changing skill needs.

➢ Identifies top priority challenges that lend themselves to cross-employer solutions. These challenges might involve skill gaps, worker shortages, an aging workforce, quality deficiencies, regulatory problems, labor/ management issues, or a wide range of other possibilities.

➢ Develops specific, customized solutions that employers and partners embrace.

➢ Creates strategies and funding streams for implementing solutions.

➢ Implements the solutions, analyzes their effectiveness, and adapts to new information.

Playing all of these roles effectively can make the MiRSA a tremendously valuable resource to employers and to the economy and people of a region. They position all of the entities that orbit the workforce world to deliver maximum value. A MiRSA exists as long as the employers continue to find value in it.

Why establish a MiRSA?

The statewide MiRSA initiative receives substantial public investment in terms of grants and staffing costs. This investment is justified by the expected outcomes of the initiative, and these outcomes accrue to employers, workers, and the region.

Industries that devise ways of constantly upgrading the skills of their workers are far more likely to remain competitive and healthy than those that do not. As industries in a region prosper, they tend to attract suppliers who benefit from the proximity to their customers and similar businesses that benefit from the availability of skilled workers. The results of effective MiRSAs can be:

➢ **Improved business climate in Michigan**. Current employers who participate see the Michigan business climate as more friendly and supportive, an important consideration in retaining the state's employment base.

➢ **Increased competitiveness**. Though improved business performance, the competitiveness of the targeted industry cluster within the region increases.

➢ **Attraction of more employers.** Improved industries will attract other employers in the industry and supplier firms to the region.

➢ **More jobs.** Over time, more jobs and better opportunities for advancement for workers at all levels will exist than would have been possible without the MiRSA.

➢ **A better workforce system.** A more coherent and responsive system of workforce and economic development that is of value to employers.

Developing and Planning an MiRSA

Initial Actor: The Convener

Who is a Convener?

A Convener is an entity with expertise in the industry sector and workforce issues that also acts as an organizer of the alliance. Conveners of MiRSAs should be key players in the community who have a role in solving the workforce needs of the industry and addressing the need for good jobs for community residents.

Conveners can be any of the following types of organizations:

- ➢ Community colleges
- ➢ Universities
- ➢ Workforce boards
- ➢ Labor unions
- ➢ Labor management collaboratives
- ➢ Chambers of commerce
- ➢ Private training providers
- ➢ Business associations
- ➢ Individual employers may act on behalf of a group of employers

Examples of current Conveners include:

- ➢ Lake Michigan College
- ➢ Calhoun Intermediate School District
- ➢ The Michigan Works! Job Force Board
- ➢ Northwest Michigan Council of Governments
- ➢ Lake Superior Community Partnership Foundation

What is the Convener's role?

The role of the Convener is *not* to chart the course of the MiRSA. Instead, the Convener acts as a facilitator to mobilize the appropriate partners and provide a forum for beginning and maintaining a discussion of workforce needs and solutions. Conveners come in many types as demonstrated above; they can include industry associations, labor organizations, workforce boards, community colleges or nonprofit organizations. A Convenor is not typically a single employer.

The following diagram demonstrates the facilitating role of the Convener:
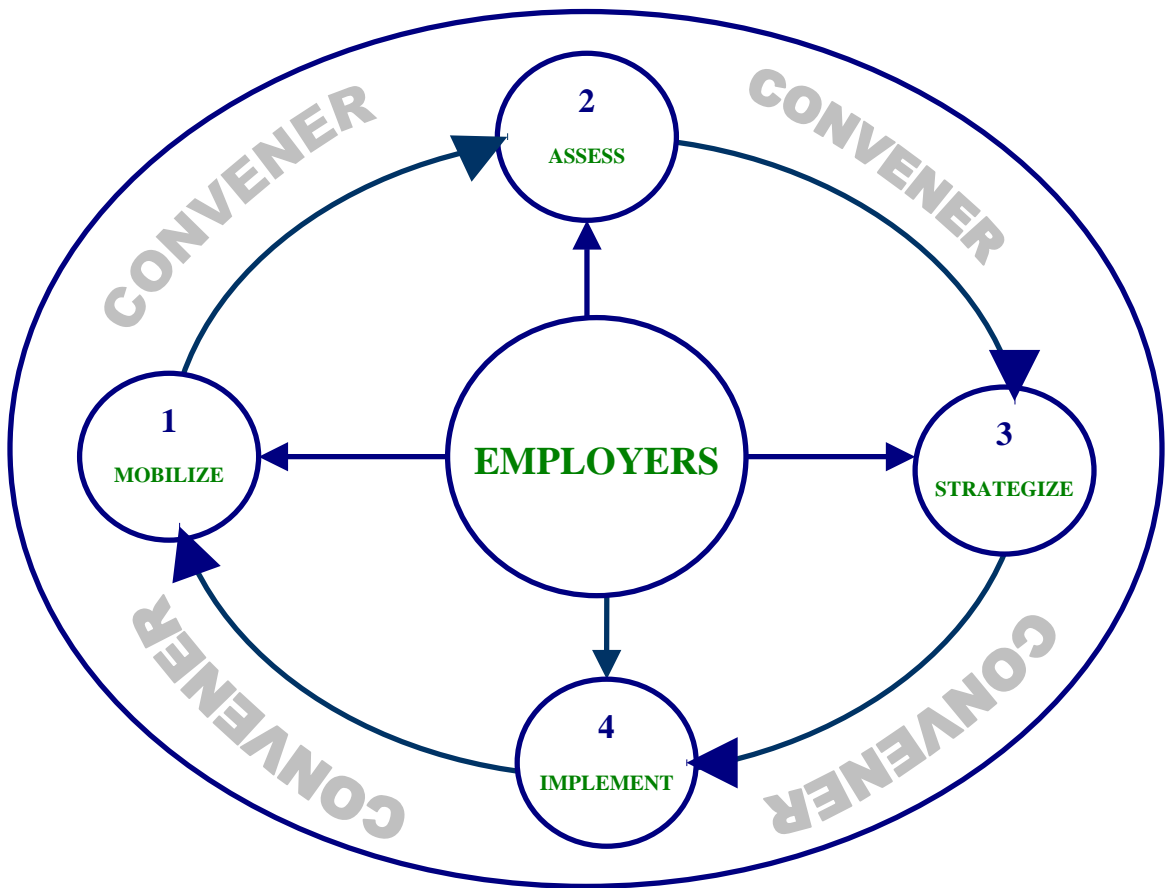
The convening organization facilitates the development of the MiRSA and expedites the overall process:

➢ The Convener facilitates **Mobilization** by bringing together various partners.
➢ The Convener facilitates the **Needs Assessment**.
➢ The Convener facilitates the **Strategizing and Planning Process**.
➢ The Convener facilitates the **Implementation** of the MiRSA.

Needs Assessment

By definition, a MiRSA focuses on solving workforce problems affecting multiple employers in a defined industry and region. MiRSAs are not only focused on new jobs, but can also consider career advancement, the workforce pipeline or additional skill and training requirements. In order to develop a strategy to address workforce issues within an industry or region, a needs

assessment should be performed. The needs assessment typically consists of reviewing existing information and gathering new information through various means such as surveying and interviewing. The most effective assessment usually includes a combination of qualitative and quantitative data gathering methods.

The industry does not necessarily have to be a prime-growth industry, but it must be an industry that accounts for a significant share of regional economic activity and employment.

One of the first steps in developing a plan for your MiRSA is to research the state of your chosen industry both in general and in your region. This is conducted primarily through the use of labor market information.

The Office of Labor Market Information within the Department of Labor and Economic Growth (DLEG) produces a substantial volume of data on regional economies and labor markets. This guide highlights what information is available to you currently on key indicators you may need, and whether these data are produced by DLEG or by other information sources.

Besides the resources available from the state, you should make full use of information sources available locally, such as information from local employers and other major regional players. Qualitative information from the partners involved in your MiRSA team is often very useful in completing your needs assessment and can fill in many gaps not addressed by government data sources.

There are four primary sources of information and support available to you from the State of Michigan:

1. **Regional Profile for Industry Targeting**
2. **Information on occupations and skills**
3. **Information on labor supply**
4. **Capacity building assistance**

As you begin to think about your targeted industry and region, remember that you are encouraged to select MiRSA boundaries that are economically integrated regions reflecting workforce availability.

Regional Profiles

What is a regional profile?

A regional profile is a labor market "snapshot" prepared by the State that zeros in on a particular region in Michigan. Key components of the profile include:

➤ Produced for 12 geographic regions statewide. Your proposed MiRSA region may differ.

- ➢ Lists current labor market indicators
- ➢ Provides industry job trends
- ➢ Identifies potential target industries
- ➢ Provides occupations and skill details for three specific industries

Which regions currently have profiles?

- ➢ Benton Harbor
- ➢ Flint-Saginaw
- ➢ Jackson
- ➢ Kalamazoo-Battle Creek
- ➢ Lansing
- ➢ Mid-Central
- ➢ Northeast Lower Michigan
- ➢ Northwest Lower Michigan
- ➢ Southeast Michigan
- ➢ Thumb
- ➢ Upper Peninsula
- ➢ West Michigan

What information is contained in a regional profile?

Current labor market indicators. These indicators allow you to compare the health of the regional economy to that of the state and national economy.

Industry job trends. This portion contains the two-year growth rate in employment for several major industry sectors. This information allows you to compare the pace of job gains locally in specific industry sectors within Michigan and the United States.

Potential target industries. This section provides information about current core industries, developing industries, underrepresented industries, and competitive-advantage industries. This information should be helpful as you think about positioning your MiRSA within the overall regional economy.

Detailed industries. For each region, three specific industry profiles are included. These examples demonstrate how you could develop an industry profile for your MiRSA industry and region.

Where can I find the regional profiles?

The Regional Profiles listed above are available on the RSA website (www.michigan.gov/rsa) by selecting Technical Assistance. The profiles are

in Adobe PDF format.

Information on Occupations and Skills

Why utilize data on occupations and skills?

Information on occupations and skills is important because it will help you identify significant regional occupations and expected growth jobs in the future.

Information on occupations is available from a number of sources:

➢ State and regional employment levels by detailed occupation: www.michlmi.org

➢ State and regional occupational forecasts (job outlook): www.michlmi.org

➢ National occupational forecasts: www.bls.gov/emp/home.htm

➢ National industry staffing patterns: www.bls.gov/oes/home.htm

At the Labor Market Information website, you can access average wage data for occupations in Michigan, its metro-areas, and five out-of-state regions. National averages are posted at the Bureau of Labor Statistics website. The national occupational wages can also be drilled down to display wages for the same job title in different industries.

If you are interested in ranges of wages for a particular occupation, information can be found at America's Career InfoNet website. Wages are listed for the 10th through the 90th percentiles and are also available for Michigan, its metro-areas and regions, and the nation.

Information on occupational wages can be found on the following websites:

➢ State and regional averages: www.michlmi.org

➢ National: www.bls.gov/oes/home.htm

➢ National, state and regional percentile groups (America's Career InfoNet): www.acinet.org

In addition to wages, significant information on required skills for specific occupations is available on the O*Net system. O*Net is a skills-based Occupation Information Network that offers assessment tools for career exploration and contains many other useful features and resources. It is a comprehensive database of occupational characteristics and requirements featuring knowledge, skills and abilities, and specific job tasks. Users can search by occupation to determine necessary skills, or in reverse by selecting skills and determining occupations that utilize those skills.

Information available online at http://online.onetcenter.org includes:

➢ Skills-based occupational information network

➢ Comprehensive database of job characteristics and requirements

- ➤ Knowledge
- ➤ Skills and abilities
- ➤ Specific job tasks

Additional information is also available at Michigan's Labor Market Information website, including more specific data on industry jobs, current employment statistics, company contact data, information on labor supply, and data on special target population groups.

On the Michigan Labor Market Information website you will find:

- ➤ Industry jobs (online at www.michlmi.org)
  - ◆ Current Employment Statistics (CES)
  - ◆ Monthly estimates for Michigan and metro areas (MSAs)
  - ◆ Jobs, hours, and earnings data by industry
- ➤ Quarterly Census of Employment and Wages (ES-202)
  - ◆ Quarterly estimates for Michigan, MSAs, regions and counties
  - ◆ Number of establishments, jobs, and average weekly wages
  - ◆ Industry forecasts
- ➤ Employer locator (regional database)
  - ◆ Locate company by city within a specific industry
  - ◆ Locate company by city employing a specific occupation

National information is available at the U.S. Bureau of Labor Statistics: www.bls.gov/emp/home.htm

Information on Labor Supply

What does the current labor force look like?

The Michigan Labor Market Information website also provides information about current and future state and regional labor supply. This includes measures of the size of the regional labor force, number of unemployed residents, and characteristics of job applicants to the Michigan Talent Bank system. There is also information available on educational attainment of applicants and Michigan residents more generally.

The following are available are at www.michlmi.org:

- ➤ Total labor force and number of unemployed job seekers (county/city unemployment)
- ➤ Regional job applicant characteristics (Talent Bank profiles)
- ➤ Survey of Labor Supply for Michigan Critical Occupations

In addition, these sites offer information on program enrollments and degrees awarded:

> ➢ High schools: www.michigan.gov/cepi
> ➢ Community colleges: www.michigancc.net
> ➢ Colleges and universities: IPEDS database at www.michigan.gov/hal

Information is also available about target populations, including how to assess and overcome specific barriers. Special target populations include low-income job seekers, disabled workers, displaced workers, and workers in need of support services. This information can be found on the following websites:

> ➢ Annual Planning Information Report: www.michlmi.org
> ➢ U. S. Census Bureau: www.census.gov

Finally, there is a wealth of general economic and labor market information available on the web. Good places to start include:

> ➢ U. S. Census Bureau: www.census.gov
> ➢ Bureau of Labor Statistics (BLS): www.bls.gov
> ➢ Federal statistics (FedStats): www.fedstats.gov
> ➢ Bureau of Economic Analysis (BEA): www.bea.doc.gov

Collecting Information on Your Employers' Workforce Needs

How can determine employers' needs?

In addition to the statistical data that is available, you can collect information about the workforce needs as perceived by employers in your region. It is highly recommended that you conduct at least some field research to collect information from employers in your targeted region and industry. There are several ways you can do this:

> ➢ **Conduct a survey.** Develop a survey that asks employers about their current workforce, current skill shortages, future skill shortages, current training, recruiting, retention practices, and what they view as their most pressing need. The results can be compiled, analyzed, and then distributed and used as a launching point for further discussions of what the MiRSA should target as its key mission.

> ➢ **Conduct individual interviews.** Interviews can be conducted by phone or in person. Similar to a survey, develop a list of questions that are important for understanding the needs employers have. After conducting several interviews, compile, and analyze the information collected to use in developing the mission of the MiRSA.

> **Conduct a focus group**. A focus group is a guided group discussion around a set of predetermined questions. A group should include 8-12 individuals and be documented by a note taker and/or audio recorder. The findings from one or more focus groups can be analyzed to gain a deeper understanding of the workforce issues facing your employers.

All of these strategies for collecting information, both statistical and qualitative information directly given by employers, should be heavily relied upon at the start-up of your MiRSA and in routine operations.

Remember that the goal of the partnership is to better organize the workforce development system to meet the needs of employers. The best way to meet those needs is to accurately identify them.

Capacity Building Assistance

What type of capacity building assistance is available?

Capacity building assistance is available to MiRSA representatives from the state government. Examples of types of technical/capacity building assistance that could be provided include:

> **Effectiveness and Efficiency**
> - Addressing employer workforce and capacity needs.
> - Understanding and using LMI /workforce and economic trend data.
> - Providing process management and improvement guidance/ assistance.
> - Developing performance measures.
> - Assessing and evaluating effectiveness/process/outcomes.

> **Planning and Implementation**
> - Developing and implementing sustainability plans.
> - Understanding and implementing project management principles and practices.
> - Developing marketing and communications plans.
> - Developing strategies that align with state and regional priorities.
> - Determining how to leverage resources.
> - Developing and implementing business plans.

> **Collaborations/Partnerships**
> - Engaging and cultivating partnerships.
> - Providing neutral third-party facilitation.

- ♦ Assisting in improving the cohesiveness and productivity of groups.

- ♦ Creating key leadership roles and strategies within the RSAs.

- ♦ Helping conveners and project leadership teams to identify challenges and resolve hem.

You can contact the Bureau of Labor Market Information for specific labor market data and the MiRSA State Team can provide answers to more general questions about developing and planning your MiRSA.

- ➤ E-mail for Labor Market Information: lmi@michigan.org
- ➤ E-mail for MiRSA State Team: rsa@michigan.gov

Key Partners

Who are key partners?

- ➤ **Employers.** Employers are the most important partners in any MiRSA because the alliance is built around the workforce needs of employers. As a result, the majority of partners should be businesses and you should attempt to engage the majority of businesses in your region serving your targeted industry.

- ➤ **Public Workforce System.** The public workforce system should also be actively involved to seamlessly bring together private needs and public resources. This includes the Michigan Works! Agency and Workforce Investment Boards.

- ➤ **Educational Institutions.** Given that educational institutions are responsible for providing training for the current and future workforce, they are another important partner. Representatives may be included from local or regional community colleges, universities or the public K-12 school system. In addition to the formal educational system, the Convener should try to engage any relevant private training providers.

- ➤ **Industry and trade associations**. In addition to individual employers, it is important to also engage industry and trade associations. They bring significant resources and expertise to the table. They also can provide an access point to the entire industry for future recruitment of additional employers.

- ➤ **Organized labor.** Organized labor can have significant influence on training and worker recruitment. If relevant in your region, labor representatives should be involved for discussions of contracts, recruitment, retention, and training including apprenticeships.

- ➤ **Economic development and other community-based organizations.** It is often helpful to have leaders of economic

development organizations in the region involved that can help to locate resources, access state government for tax incentive information, and coordinate a variety of regional initiatives. In addition, other public, community-based or private organizations should be brought in as appropriate. This could include a private foundation, transportation agency, or nonprofit organization, for instance.

What are partners' roles?

MiRSA partners have several vital roles. Beyond officially agreeing to participate as a partner in the form of a letter of support and partnership and committing to financial and in-kind support of the MiRSA, these roles involve:

➢ Actively participating in the planning and marketing of the RSA concept and particular MiRSA mission within the region.

➢ Taking on individual roles and responsibilities that are aligned with the particular partner's identity. For example, community colleges may be responsible for adding slots to a current training program or developing a new curriculum.

➢ Attending conferences and meetings associated with various aspects of maintaining a MiRSA.

The MiRSA State Team has duties as a partner in the development of MiRSAs. These include:

➢ Providing a specific contact state staff person for each MiRSA.

➢ Providing necessary technical and capacity building assistance for each stage of MiRSA evolution and referring MiRSA partners to the Bureau of Labor Market Information or other departments of state government when appropriate.

➢ Using innovative methods that help facilitate peer learning, networking, and information sharing opportunities for the MiRSA partners.

Funding

Initial costs for a MiRSA are usually shared among partners. Actual costs depend on the early work that the MiRSA will do. The largest cost is usually for the individual who convenes partners and manages the partnership. A MiRSA grant will cover many of the startup costs. However, MiRSAs are long-term partnerships, and these grants are not intended to cover future costs. Partners should discuss funding from the outset. Potential funding sources include member companies, user fees, and public funds, which are discussed in detail below.

State Funding

The State of Michigan has committed to supporting the MiRSA initiative with small start-up grants and technical support. You can contact the MiRSA State Team to find out where in the grant making cycle we are presently. Please contact Angela Nelson at (517) 335-5177 or at rsa@michigan.gov.

Other Sources of Funds

According to research done by the National Network of Sector Partners (NNSP) and Corporation for a Skilled Workforce (CSW), a successful funding strategy relies on seeking money for a variety of approaches from diverse funding streams. Most sector initiatives use at least two or three primary sources of funding, including government (both state and federal money) and foundations. This money is typically supplemented by other sources such as partner contributions, user-fees, initiative-specific funding, agency money, foundation grants, social venture programs, and entrepreneurial fundraising.

Partners

Partners are an excellent source of funding, especially during the start-up phase. Partners can make an initial contribution, and later transition to membership dues. In addition, partner organizations will have access to sources of funds that are unique to their institutions (for example community college/education dollars), which can be used to further project goals.

User-Fee System

A second method for raising money is a user-fee system in which a fee is charged for employer services. Some RSAs will try to subsidize services such as training with government funds, but the employer still needs to pay for a portion of the service. Other services such as business consulting or assessment may be offered at market price. New Century Careers in Pittsburgh is a very successful workforce development sector initiative that receives approximately 15% of its funding directly from employers and related contracts.

Initiative-Specific Funding

Another approach to developing diverse funding streams is to seek initiative or strategy related funding. In other words, if your MiRSA offers a variety of services including training, worker support services, employer or business retention services or career path charting and recruiting, you can seek different sources of funding for each of these initiatives. Possible sources by strategy are:

➢ **Training.** Foundations, Workforce Investment Act (WIA), Temporary Assistance for Needy Families (TANF), Michigan Department of Labor

and Economic Growth, state incumbent worker funds, Community Development Block Grants.

 ➢ **Support Services.** Corporate, U.S. Department of Labor (USDOL), WIA, Michigan Department of Human Services.

 ➢ **Business retention/Employer services.** WIA (state and federal) Department of Education, City/Enterprise Zone.

 ➢ **Career Pathing.** TANF, CDBG, State Welfare funds, Fee-for-Service dollars.

 ➢ **Retention Services.** Michigan Department of Education, individual donations.

Agency Money

Finally, sector initiatives can get national funding from the federal government or other foundations interested in promoting sector workforce organization. Aside from sector-based grants, there are also more specific demonstration grants available from the U.S.DOL focused on incumbent or dislocated workforce training or targeting specific high-growth industries.

Foundation Grants

Foundation grants are the most common non-governmental source of funding for nonprofits; however, they are not necessarily easy to secure. And they are rarely a *quick* source of revenue.

Most states have networks of community and private foundations that invest in an ever-changing mélange of programs and projects intended to promote social good. There are also thousands of national foundations—some are interest-based, some geographically-focused, and some change their areas of interest and/or focus from year to year. Some pursue a strategy of deep change for few communities or organizations, but many more allocate small amounts of resources across a wide array of organizations and interest areas.

While not universally true, many experts believe that organizations seeking grant funds for the first time should work locally, since most national foundations like to see local foundation investments in place first. This places states and local areas with fewer foundations at a disadvantage when seeking funding from national foundations.

Foundations are also not immune from the effects of economic volatility, locally or nationally. Unfortunately, this means that when the economy is soft, foundations tend to grant fewer resources, even as the needs in most communities are greater (and the competition among organizations for grants is tougher). This is among the many reasons why a fundraising strategy that involves foundations should be based as much on creating and sustaining

relationships with key foundations and their board members as in adhering to grant application deadlines.

While the world of foundations can seem overwhelming, there are five easy steps you can take to help limit the universe before you begin crafting a strategy for engaging foundations. These steps include:

1. Using the Foundation Center's *Directory of Foundations* to identify the national foundations most likely to be interested in what you have to offer (remember—you've already determined specifically why you are trying to generate revenue). This CD or DVD or database is available for use at no charge in most county libraries (the searchable CDs are also available for purchase). You might also register with one of the many listservs the Center manages so that you are alert to new funding opportunities. See http://fdncenter.org/

2. Get a copy of the *Foundation Databook* for your state. These comprehensive guidebooks profile foundations based on the information they submit to the state and local governments and the Internal Revenue Service. Published by C&D Publishers (Craig McPherson) in Portland, Oregon, they are updated every three years and serve as terrific references (they are available for many states, though not all, see **http://www.foundationdatabook.com/index.html**).

3. Identifying the state and local grant and foundation networks in your area. These networks comprise many different types of people, programs and organizations, including:

    ♦ **Statewide or regional grantmakers associations.** Most states and regions have networks of grantmakers, including private foundations and organizations like United Way, that meet monthly to share ideas about grantmaking and about community needs. In Oregon, this network is called Grantmakers of Oregon and Southwest Washington. Similar organizations in other states can be found at **http://www.mcf.org/mcf/links/regional.htm**

    ♦ **University programs that specialize in non-profit management.** Often these programs not only provide technical assistance to grant seekers (at reduced cost), but also are connected to the grantmaking community in ways that generate otherwise hard-to-uncover intelligence about the private funding community.

    ♦ **The state-wide community foundations or network of smaller community foundations.** Community foundations play a unique role in that they influence each other's funding priorities and processes and are committed to a community improvement agenda. They will not radically alter their funding priorities from year to year as some private foundations have been known to do. In addition, community

foundations tend to collaborate extensively with a network of professionals working in communities on a range of different issue areas.

4. Identifying your best national and local foundation prospects and determining the process used by them (type and length of application, allowable materials for submission, deadlines, etc.).

5. Mapping your networks onto the networks associated with your best prospects. Do you share stakeholder members? Do your stakeholder members know foundation executives? Keep in mind former employees, contractors, and staff of former contractors; many of these circles are smaller than you might think.

These steps will help you begin to develop your strategy, but be open to change as new variables are introduced. Securing grants is as much art as it is science.

Foundation-related Resources

In addition to those cited above, the following resources may help you understand the landscape in which foundations are operating, and identify current trends in the grant making industry:

The Chronicle of Philanthropy is the primary industry publication in foundation giving and grantmaking. It offers a wealth of information and good content on specific trends (performance measurement and management, venture models, etc.). http://philanthropy.com/

The *Harvard Business Review* has printed very good quality articles on public-private collaboration and the use of private-sector efficiency and performance models in the non-profit arena.
http://harvardbusinessonline.hbsp.harvard.edu/b02/en/hbr/hbr_home.jhtml

Stanford Social Innovation Review is a quarterly publication of the Stanford Business School's Non-profit Management Program. It is a wealth of information on many aspects of program and grant management, and regularly includes excellent case studies on a variety of issues.
http://www.ssireview.com/

Social Venture Programs

In recent years, grantmaking using the venture capital model common in the private sector has begun to catch on in the non-profit world. Alternatively called social enterprise or social venture investing, this model is characterized by a number of common features:

➢ The active participation of investor-donors in the projects they support.

- ➢ Fewer projects with more substantial resources invested in each than is typical of more traditional grant programs.
- ➢ An expectation of fundamental change (in performance or organizational capacity) by the end of the grant period.
- ➢ An emphasis on sustainability and capacity building at the organizational level.
- ➢ The absence of a traditional foundation infrastructure; procedures tend to be simple, committees small and accessible.

A number of organizations and networks have emerged to support this approach to grant making over the last several years.

This approach is probably unlikely to impact more than a couple of MiRSAs directly; the model is new, limited in scope and scale, and tends away from organizations and issues in which there is significant government involvement. However, social venture groups may have significant impact on workforce issues in communities generally and MiRSAs can help them.

For more information on social venture funding, grantmaking, and networking organizations, see:

http://philanthropy.com/free/articles/v12/i16/16001001.htm

http://www.svpseattle.org/resources/Resources_Venture_Philanthropy.htm

http://www.sv2.org/venturephilanthropy/

http://svpboston.org/

http://www.pcf.org/venture_philanthropy/social_venture.html

Entrepreneurial Approaches to Fundraising

Finally, while it may be unfair to aggregate so many different models under a category called Entrepreneurial Approaches, it is entrepreneurship that they have in common, even though the range of different activities and approaches and the infrastructure required by each varies enormously.

At the simple end of the spectrum are fee-for-service activities. Many non profits are experimenting with this approach at multiple levels. In most cases, these initiatives are not generating significant resources, but they are offsetting other costs, helping develop skills among staff, and laying the groundwork for further experimentation. These initiatives have low barriers to entry, they require little infrastructure, and can be started on a very small scale.

A more sophisticated approach to entrepreneurial initiatives involves creating and managing a for-profit or fee-generating unit within a non profit organization. This unit might be charged with new product and service development, strategic initiatives and partnerships with other organizations (e.g.

collaboration with for-profit firms on technology tools), or simply selling products of various kinds. The unit might do business as another organization or as part of the same organization operating under another name. Such a venture typically requires much greater autonomy in communication, marketing, product development, sales, and fiscal support, than does a simple fee-for-service model.

While such models can be tremendously valuable as learning models and revenue generators, they are not without their challenges, including staff friction and disagreements about what counts in terms of organizational support (for example, whether or not the rent and use of computers is counted in the cost of operations for the for-profit arm).

Finally, some non-profit organizations manage for-profit enterprises unrelated to their organization's mission, except that the profits are reinvested in the host non-profit organization. These ventures create unrelated program revenue that is completely flexible, but they require much more sophisticated administrative tools to insure sound fiscal and legal practice, and appropriate separation between the two entities. Depending upon the nature of the for-profit venture, there may also be insurance implications.

Entrepreneurial-related Resources

The last several years have seen an explosion of fee-generating activities within non-profit organizations. This has, in turn, helped create the market for technical assistance and resources toward that end.

For an excellent overview of these issues, see "Enterprising Nonprofits: Revenue Generation in the Nonprofit Sector," a paper by Cynthia W. Massarsky and Samantha L. Beinhacker in the Yale School of Management. Yale, like Standford, Harvard, and other top tier schools, has developed its capacity to bridge the gap between business school expertise and that of the non-profit executive community. See http://mba.yale.edu/centers/socialenterprise.shtml and http://www.ventures.yale.edu/factsfigures.asp.

A collection of back books and toolkits also provides valuable hands-on information and blueprint business plans for organizations seeking to develop social ventures. These include:

> ➢ Enterprising Non Profits: A Toolkit for Social Entrepreneurs, J. Gregory Dees, Jed Emerson, Peter Economy (Wiley, 2001)

> ➢ *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*, (Wiley, 2002)

> ➢ *Generating and Sustaining Nonprofit Earned Income: A Guide to Successful Enterprise Strategies*, Lee Davis and Nicole Etchart, (Jossey-Bass, 2004).

Applying for Designation as a MiRSA

What is State Designation?

As the State of Michigan has moved forward in the development of many regional skills alliances, officials have determined the need for a systematic evaluation and review process that will determine when a collaborative meets the accepted standards of how a MiRSA should operate. The resulting process is that of MiRSA state designation and results in the submission of a three-year plan for beginning and maintaining a MiRSA.

Why apply for state designation?

There four advantages for potential MiRSAs to apply for state designation. These advantages are:

First, the process of developing the necessary materials will serve as a guide as you begin such a complex undertaking. Based on extensive research, the state has developed key requirements that should be indicators of success. By following these requirements, you can be assured that your planning process is complete.

Second, by becoming a designated MiRSA you will be eligible for state start-up funds. At this time it is unclear how much money or how often grants will be available; you should contact the RSA state office to find out what is available. Additionally, you can use the MiRSA state designation as a *mark of legitimacy* when applying for grants from the federal government or private foundations.

Third, you may find that the state designation helps in giving your alliance legitimacy and bolsters your marketing and branding effort. This can be beneficial for recruiting additional partners and increasing the number of customers you serve.

Finally, state designation allows you access to several forms of state capacity building assistance. This includes a designated contact person that you can turn to with questions or for advice. In addition to one-on-one personal assistance, you will be invited to regional and statewide MiRSA conferences and workshops, providing you with the opportunity to network with other MiRSA leaders and get the most current information about workforce development.

How do I apply for state designation?

You may apply for MiRSA designation by completing a Michigan Regional Skills Alliances application. The application must clearly articulate a

problem or set of problems affecting the regional industry that the MiRSA will address, one industry sector per proposal. The statement must be logical, coherent, and appropriate to the work objectives proposed. By definition, a RSA focuses on solving workforce problems affecting multiple employers in a defined industry and region. The industry must account for a significant share of the local economic activity and employment. All interested parties are encouraged to work together on a single application. Instances where multiple applications are received for the same sector/region may result in a request for proposals to be combined. The completed application will be assessed according to how well the applicant addresses the Standards and Requirements that are detailed below. To obtain a copy of the application, please contact Angela Nelson at (517) 335-5177 or at rsa@michigan.gov.

Standards and Requirements

Standard 1: Priority Industry Identification

Requirement 1.1   State and Regional Industry Priority Areas

Applicants must show that the plans for their RSA align with state and regional priority industries. State priorities include: linking workforce policies to economic development policies in the following priority industry sectors:

- ➢ Advanced Manufacturing and Materials Development
- ➢ Health care
- ➢ Life sciences
- ➢ Homeland security
- ➢ Other industries of state and/or regional importance

It is helpful to identify the broad industry (and industry sector) represented in the skills alliance. For example, the broad industry and sector could be identified in the following ways: Advanced Manufacturing/Automotive Industry or Health Care/Acute Care/Hospital.

ALIGNMENT WITH STATE AND REGIONAL PRIORITIES

In addition to picking a problem based on careful research and analysis, you also want to pick a problem that is aligned with state and regional priorities. You should address how the MiRSA's focus relates to the state and/or regional workforce priorities for each of the following areas:

- ➢ Regional focus. At minimum the RSA should be county-wide.
- ➢ Job placement

- ➢ Job creation and economic development
- ➢ Collaborative process
- ➢ Employer driven

Requirement 1.2   Define the Geographic Region

The proposal must define the geographic region the skills alliance will cover. The workforce to be impacted by the skills alliance should be at least county-wide. The core group of employers together should be drawing their workforce from at least a county-wide coverage area.

Standard 2: Partnerships

Requirement 2.1   Employer Partnerships

Key industry employers that are partnering with the MiRSA need to submit letters of support stating their expectations with respect to the following standards:

- ➢ The proposal must show evidence that the development of the skills alliance is employer driven
- ➢ Delineate the process in which employers will drive the current and future planning and agendas
- ➢ Employers have dual roles in regional skills alliances. Employers are partners and customers. The proposal must explain how employers will be treated as customers through the use and evaluation of services. See below for further details regarding the dual roles of employers.
- ➢ The employers have given their endorsement of the application and levels of support and participation in writing. Must submit (Skills Alliance Endorsement and Commitment Form, which is part of the application form) for each member employer

ROLE

Employers play dual roles, both as partners in the MiRSA and as customers of alliance services. Each partnering employer should briefly explain how they see themselves fulfilling each of these roles.

- ➢ As partners
  - ♦ Information provision about the industry and labor market.
  - ♦ In-kind and financial support of the MiRSA.
  - ♦ Time and participation in MiRSA leadership, recruitment, promotion and sustenance.

- ➢ As customers
  - ♦ Provide evaluative feedback on services.
  - ♦ Use services.
  - ♦ Promotion.

OBJECTIVE

Employers should be the driving force of the MiRSA. Each employer needs to indicate how they will contribute to achieving these general objectives:

- ➢ Set MiRSA agenda and lead future planning.
- ➢ Offer guidance about concerns and needs of industry employers.
- ➢ Make a long term commitment to MiRSA by including it in long term company planning, including the MiRSA in resource allocation decisions, and contribute personnel time.

Requirement 2.2   Convener Partnerships

ROLE

The Convener is an organization with expertise in the industry sector and workforce issues that also acts as the key organizer of the alliance. The convener is the champion and organizer of the MiRSA. Conveners of MiRSAs should be key players in the community who have a role in solving workforce needs of the industry in the targeted region.

OBJECTIVE

The objective of the Convener is to act as a facilitator between the key MiRSA partners, manage the movement and progression of the MiRSA, and maintain organizational capacity by seeking additional funds and partners. You need to explain how your convening organization perceives its central objective. You should address the following points in your discussion.

- ➢ **Capacity**. The Convener must demonstrate that they are in a position to successfully carry out their role and meet the stated objectives. The convener must demonstrate that they have credible industry knowledge and expertise and are able to:
  - ♦ Facilitate among many skill alliance partners and groups;
  - ♦ Manage the movement and progression of the MiRSA; and
  - ♦ Maintain organizational capacity by seeking additional funds and partners.
- ➢ **Commitment**

♦ In kind support: Demonstrate that your organization is willing to supply the necessary in-kind support such as technology, office space, staffing, etc.

♦ Long range vision: Demonstrate that the MiRSA is integrated into the Convener organization's long range strategic planning.

➢ **Partner recruitment strategy**. Discuss the organization's strategy for ongoing partnership maintenance and recruitment, including:

♦ Document current partners.

♦ Explain the strategy for recruiting future partners.

♦ Explain strategy for maintaining current and future partner engagement and support.

Requirement 2.3   Applicant

The Applicant will submit the application on behalf of the skills alliance, and serve as the fiduciary responsible for proper use of State of Michigan funding resources. The applicant will serve as ultimate overseer of the implementation of the employer driven goals and subsequent outcomes. The proposal must clearly demonstrate that the applicant is qualified to carryout the administrative responsibilities of the applicant.

Requirement 2.4   Fiscal Agent

The Applicant and Fiscal Agent may be the same entity. The Fiscal Agent will perform the administrative duties and functions related strictly to fiscal operations. The proposal must clearly demonstrate that the fiscal agent is qualified and capable of carrying out the responsibility.

Requirement 2.5   Other partners

Other partners can include the public workforce system, economic development groups, training and education providers, industry and trade associations, community-based organizations, faith-based organizations, organized labor, and/or others. Their commitment to the collaboration and support of the MiRSA is evidenced by their signature on the Skills Alliance Endorsement and Commitment Form including in the application.

Each participating group needs to demonstrate their support by addressing the following requirements:

♦ Role

♦ Objective

♦ Commitment/Investment

♦ Capacity

Standard 3: Skills Alliance Focus

Requirement 3.1   Industry Problem Identification

The proposed MiRSA should seek to achieve improvements in the industry related to workforce skills development and related industry issues. Resolutions of the workforce issues are expected to yield clear benefits for the key partners: employers, workers, and the community. The MiRSA is expected to be focused on solving real and emerging workforce problems. By definition, a RSA focuses on solving workforce problems affecting multiple employers in a defined industry and region. The industry must account for a significant share of the local economic activity and employment.

In a clear and concise way, identify and explain the workforce skills issues to be addressed by the alliance. Use the following list to help you identify the industry focus areas that you would like to address:

- ➢ Skills development for existing workers (currently employed)
- ➢ Skills development for new workers (entering employment)
- ➢ Skills development for existing and new workers
- ➢ Industry and company-wide process/quality improvement
- ➢ Other

CREATING A PROBLEM STATEMENT FOR THE MIRSA

Earlier you were asked to identify and document a problem that the MiRSA will target. This task refines that problem into a more specific statement. The problem statement needs to articulate the human resource problems facing the industry. Examples include:

- ➢ Replacing an aging workforce.
- ➢ Finding entry-level workers with required skills and knowledge.
- ➢ Providing training to their current workers.

Requirement 3.2 Data and information

Applicants must clearly demonstrate that the problem identification is supported by sufficient data and information from the region. Supporting materials should include:

- ➢ Regional profile for targeted industry
- ➢ Information on occupation and skills
- ➢ Information on the labor supply

Standard 4: Goals, Work Plan, and Outcomes

GOALS

After clearly stating the problem you intend to address, you will need to articulate your specific goals or the impact you hope to have on the industry and economy in your targeted region. This includes but is not limited to:

➢ Explanation for how goals were set based on employer input and a needs analysis.

➢ Development of Work Plan and Milestones: develop a comprehensive work plan to show how goals will be achieved over time, key milestones you will use and completion of *monthly report* to report progress.

➢ Identification of methods for collecting the data that you will need in order to determine if your outcomes were achieved.

➢ Description of a strategy for organizing and analyzing the collected information in a meaningful way to report results back to key stakeholders. Explain what you will do with the evaluation findings.

➢ Determination of the expected outcomes of the economic growth.

➢ Description of the goals for increasing the individual prosperity within the proposed industry sector.

WORK PLAN

The key components of an initial work plan include a problem statement, targets for change, objectives, action strategies, and an outcomes evaluation plan. This section makes use of three examples to demonstrate each component; they are meant solely as illustrative examples. Be sure to include all supporting documentation including, but not limited to, narrative, GANNT charts, diagrams, tables, etc.

TARGET FOR CHANGES

Based on your response to Requirement 3.1, the MiRSA should seek to achieve changes in the industry and workforce that have benefits for the key partners: employers, workers, and the community. When developing action strategies, the first step is to describe who the target is. For example, strategies may target businesses (recruitment strategies), workers (certifications or skills) and community colleges (training programs).

OBJECTIVE STATEMENTS

Once you have determined *who* you want to target, you must determine *what* you want to change, or what your goals are.   Using the same examples from above, here are some possible objective statements:

Business will refine their recruitment strategies so they are seeking workers with a set of standardized industry skills and will give preference to workers with certification of those industry skills.

or

Workers will value and seek certification of the skills they have attained either through on-the-job training or classroom training.

or

Community colleges will offer a new curriculum that is more closely aligned with the employers' needs in the identified industry.

POSSIBLE ACTION STEPS

Now that you have identified your target for change and the objective, you can begin to develop an action plan or action steps. These are tasks needed to be completed n order to achieve the stated objective. Examples follow.

- ➢ **Objective.** Business will refine their recruitment strategies so that they are seeking workers with a set of standardized industry skills and will give preference to workers with a certificate of those industry skills.

- ➢ **Action steps.** Conduct research to demonstrate the advantage of recruiting workers with a skills certificate.

  - ♦ Communicate this information to the target of change: businesses.

  - ♦ Provide training for business human resource representatives on how to utilize certification in hiring practices.

- ➢ **Objective.** Workers will value and seek certification of the skills they have attained either through on-the-job training or classroom training.

- ➢ **Action steps**

  - ♦ Research various testing and certification systems available.

  - ♦ Gain input from key partners to select testing and certification procedures.

  - ♦ Work with the workforce system, community colleges, and high schools to implement testing and certification system.

  - ♦ Communicate with employers the advantage of looking for the new certificates when hiring new workers.

  - ♦ Communicate to career counselors and staff in the public workforce system the importance of encouraging job seekers to value the skills certificate and complete the requirements to gain it.

  - ♦ Encourage incumbent workers to seek certification for their existing skills.

- ➢ **Objective.** Community colleges offer a new curriculum that is more closely aligned with the employers' needs in the identified industry.

- ➢ **Action steps**
    - ◆ Bring employers and community college representatives together to map current curriculum and current workforce needs.
    - ◆ Research alternative curriculum best practices in use throughout the country.
    - ◆ Design an alternative curriculum.
    - ◆ Have employers test the proposed curriculum and make revisions.
    - ◆ Pilot test the new curriculum in a selection of community colleges.

OUTCOMES EVALUATION PLAN

After working through the targets for change, the objectives and the action strategies, your MiRSA membership will want a plan for how to know if they are achieving their goals. The outcomes evaluation plan will help you to do this. The following three fundamental steps are required in an outcomes evaluation plan:

1. **Clearly state the outcomes** that you anticipate, including measurable indicators. Examples:
    - ◆ Ten businesses will change their recruiting strategies to include certifications in the next two years.
    - ◆ Fifty students will gain industry certification in the next two years.
    - ◆ One new employer-driven course curriculum will be developed and piloted in the next two years.

2. **Identify methods** for collecting the data that you will need in order to determine if your outcomes were achieved. Examples:
    - ◆ Develop a survey of local businesses that were targeted by the strategy to ask if they have changed their recruiting procedures, why they changed them, and whether they have seen an increase in recruiting success.
    - ◆ Create a procedure for the localities that are offering the new skills certification testing to track the number of inquiries about the test, the number of people taking the test, and number of test takers that receive certificates.
    - ◆ Conduct interviews with community college staff involved in the development of new industry curriculum to track the process of development, implementation, and testing. Also track the success of the students following participation in the course and employers' satisfaction level with the new curriculum.
    - ◆ Describe a strategy for organizing and analyzing the collected information in a meaningful way to report results back to key

stakeholders. Explain how you will utilize the evaluation findings for future improvement.

3. **Determine the milestones** you will use to track and measure MiRSA progress.

Standard 5: Marketing Plan

Requirement 5.1   Market Analysis and Communication Strategy

Part of your MiRSA planning should include a strategy for branding and promoting the MiRSA to the targeted audiences. This begins with a market analysis. In this section, you should include your first market analysis and also a clear plan for the timeline on which you will conduct future market analyses.

After you have conducted a satisfactory market analysis, how will you promote the MiRSA to employers, workers, and training providers? This should include consideration of three key components:

1. **Branding.** What will your MiRSA represent? What do you offer customers? Uniqueness? Slogan?

2. **Materials.** Identify the materials you will produce and distribute to promote the MiRSA's successes and services. Newsletters, pamphlets, videos, etc.

3. **Campaign strategy.** Discuss your plan for distributing the above information. Site visits, conference presentations, media advertisements, endorsements, etc.

Standard 6: Project Management

Requirement 6.1   MiRSA Structure

This section of the designation standards is to ensure that the organization, communication, and decision making processes within the MiRSA are well planned.   First, you need to submit both a narrative and graphic depiction of the organizational form the MiRSA will have.

DECISION MAKING PROCESSES

Describe the decision making procedures among all key MiRSA partners. For example, who will vote on key policy decisions? Will all partners vote, and if so, how is the partner designation determined? What will the decision making structure look like? Will decisions be made in full meetings or through a system of committees?

INTERNAL COMMUNICATION MANAGEMENT

An internal management plan documents how internal communications will be coordinated. This can be grouped into the following categories:

➤ **Meetings.** What is the strategy for meetings and discussing issues? Determine the timeline for key leadership meetings and structure for subcommittees and their meetings.

➤ **Reporting.** How will information be documented for reporting? How often will progress reports be developed? Who will develop the reports and to whom will they be submitted?

➤ **Daily communications.** What is the strategy for daily communications? Will the MiRSA rely on e-mail, phone contacts, paper mail, create a website, or some combination of all?

Requirement 6.2 Staffing and Capacity

The staffing and capacity section demonstrates that your MiRSA is able to carry out all that is detailed in your work plan. Key features include:

➤ **Identify staffing needs.** The first task when determining a staffing plan is to map out expected needs. When doing this, be sure to take into consideration documented Convener and partner staff contributions.

➤ **Qualifications and experience of staff.** This refers to both the skill level and relationship to the targeted sector. The MiRSA staff and partners need to be qualified to undertake the tasks assigned to them, and also have credibility and leadership capacity among the targeted employers. The staff needs to demonstrate sufficient work and educational experience in order to implement the work plan. This can be documented through staff biographies and resumes.

➤ **Full-time, paid staff.** Finally, it is highly recommended that there be at least one full-time, paid staff member that plays the coordinating and facilitating role for the MiRSA. Due to the intensity of the work associated with operating an RSA, .strong case should be made for less than full-time staff.

Standard 7: Financial Plan

Requirement 7.1 Budget

Coordinated with the proposed work and staff plan, you need to create a three year budget that includes the monies requested from the State of Michigan and any funds being brought to the table by the partners. This will include four sections:

1. Describe the current assets: sources, levels and capacity.
2. Projected budget: cash flow, leveraged resources (in kind), break even analysis.
3. Identify relationship to growth forecasting and work plan.
4. Identify resource gaps.

Requirement 7.2 Sustainability Planning

You must demonstrate that not only do you have a plan for the next three years of the RSA's financial future, but also a plan for building institutional sustainability. To this end, you need to develop a plan for setting annual strategic direction in which all MiRSA partners are involved in creating and monitoring the sustainability and on going health of the MiRSA.

➢ Determine fiscal and efficiency goals (year 1,2 3).
➢ Fundraising activities.
➢ Responsible partners.
➢ Funding opportunities (examples: fee for service, foundations, trade organizations, etc.).

Standard 8:   Continuous Improvement Strategies

One of the key features of MiRSAs is that they exist as long as they provide value to employers. To stay relevant, a MiRSA must stay informed of economic shifts affecting both the MiRSA's designated region and industry sector. To do this, the MiRSA staff and partners must institutionalize a mechanism for ongoing business impact assessment and workforce assessment.

Similarly, the MiRSA as an organization should develop a plan for regular strategic planning and self-evaluation. By incorporating both of these structured means of reflecting and researching the progress of the MiRSA and its fulfillment of the mission, the organization is much more likely to be responsive and successful.

Requirement 8.1   Business Impact Assessment

Create a plan for regularly assessing the impact of the MiRSA on targeted businesses, including measures of retention, incumbent worker skill improvement, improved new workers, stronger connections with education and training providers, and/or improved profitability. These measures of impact will depend directly on your objectives, which may evolve over time as you undertake annual strategic planning.

Requirement 8.2   External Evaluation

Each MiRSA may be required to cooperate with and participate in an external process and outcome evaluation of the MiRSA initiative. Indicate willingness to provide cooperation by arranging for interviews with MiRSA team members, staff, and other relevant stakeholders and to provide information regarding processes and outcomes, as requested by the evaluator.

Requirement 8.3   Participation in Statewide Activities

Each MiRSA is expected to share its learnings with others and to draw from others to improve its effectiveness. Indicate willingness to meet with MiRSA staff and to participate in MiRSA collaborative activities to the extent necessary to accomplish these goals.

Appendix A: Sample MiRSA Organizational Chart

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┌─────────────────┐        ┌─────────────────────────────┐
│    Convener     │────────│   Employer Leadership Group  │
└─────────────────┘        └─────────────────────────────┘
                                         │
                    ┌────────────────────────────────────────┐
                    │           Executive Committee           │
                    │ (chairs of work groups, convener, key   │
                    │              employers)                 │
                    └────────────────────────────────────────┘
```

| Labor Market Info Work Group | Needs Assessment Work Group | Economic Development Work Group | Education and Training Work Group | Workforce System Work Group | Evaluation Work Group | Sustainability Work Group |
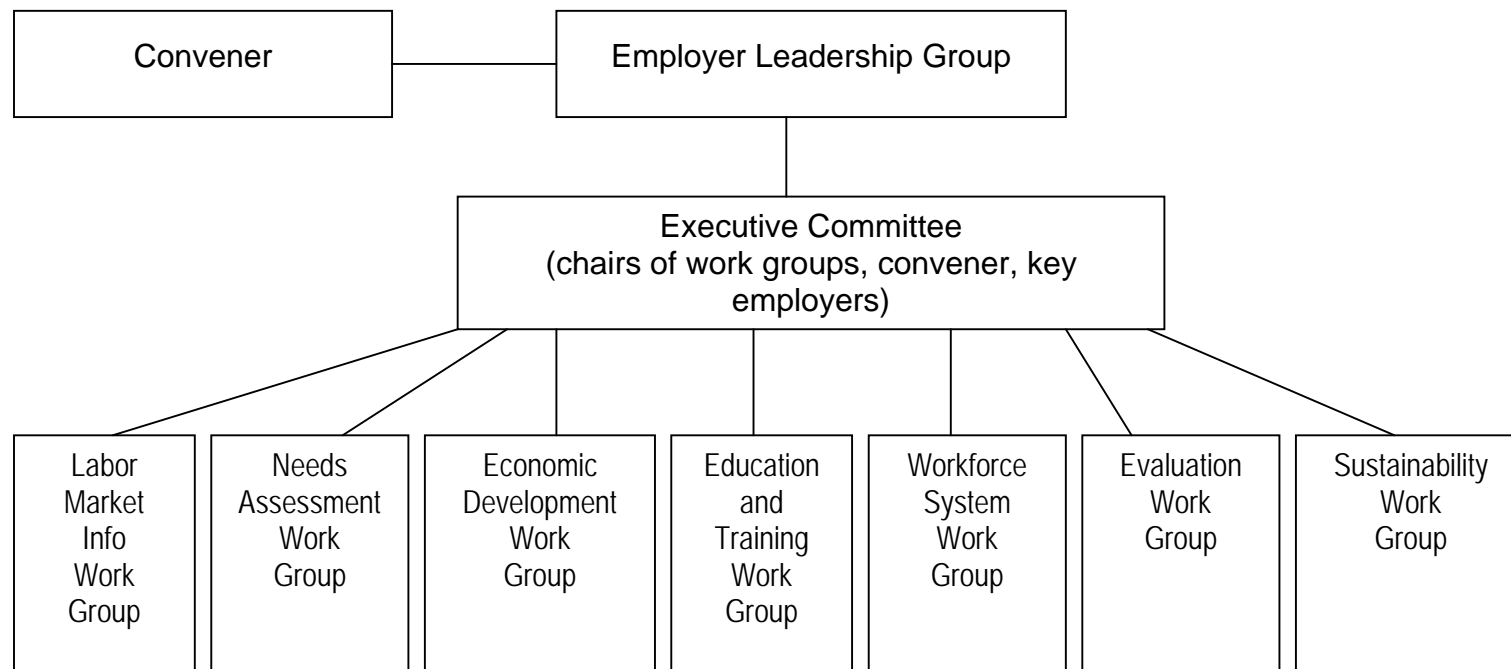
Appendix B: Sample Work Plan

Problem Statement

Over the past five years, local One-Stop centers in West Central Michigan have devoted considerable attention to helping local hospitals and nursing homes recruit entry level employees for positions in the dietary and maintenance departments. However, a recent environmental scan conducted by the West Central Workforce Board has identified the need to focus more broadly on the needs of the health care sector, which constitutes nearly 30% of the region's labor force. According to the State of Michigan and the West Central Michigan Employment 2000-2010 Forecast report, Registered Nurses are among the top ten occupations with largest growth between 2000-2010, and are included in the top ten occupations with the largest number of annual openings. The labor supply shortage has become epidemic and employers have expanded their recruitment area beyond the United States. Without sufficient training capacity, the individual loses, the industry loses, and Michigan's economy loses.

Beginning in 2004, the Board made a decision to make health care a top priority and to focus resources on identifying and addressing the industry's needs. Since that time, the Board has taken steps to identify key stakeholders in the region and to obtain additional information about the challenges facing the industry as a whole. In early 2005, the Board convened a small group of employers to discuss workforce issues and consider the option of forming an RSA dedicated to addressing them. One representative from each of the three hospitals serving the region participated in high-level discussions about the challenges they face and the opportunities for collaboration. Existing data suggests that the region does not have sufficient education and training resources to address this need. Conversations with area training providers revealed that every school in the West Central MI Health Care RSA has a waiting list for both the RN and the LPN programs. According to representatives of area hospitals, the shortage of RNs and LPNs is a threat to the future existence of some health care facilities. In order to retain existing businesses and attract new ones, it is essential that the region move quickly to address these shortages.

These discussions led to the development of this proposal. All three of the hospitals have signed letters of support and have made a written commitment to be actively involved in the operation of the MiRSA. The hospital presidents have agreed to serve as co-leaders of the MiRSA's leadership group, and selected department managers will be assigned to serve as volunteer members of several MiRSA workgroups that will be formed to address key issues and information needs.

Research Needs

To date, information about the range, scope, and experience of health care employers in the region has been obtained informally. For example, recent newspaper articles have highlighted the impact that staffing shortages are having on the quality of care. Discussions with one area hospital administrator underscored the important link between health care availability and economic development. According to the region's economic development organization, two advanced composite manufacturing companies in the region have put their expansion plans on hold because inadequate health care services are available to meet the needs of new employees. While there is widespread belief about skills shortages in the health care sector and some preliminary analysis of labor force data, there has been limited analysis of labor market trends across the region. Furthermore, the adequacy of the supply of education and training programs for the targeted occupations has not been assessed. There is also some evidence to suggest that existing training programs are experiencing high drop-out rates. In order to develop a comprehensive strategy to address the workforce needs of this sector an additional study must be done to gather more detailed information about the scope of the need, the range of training options currently available, and the nature of the issues that contribute to high drop-out rates.

Employer Engagement

Once the scope and nature of the shortages are better understood, the MiRSA will be in a position to design and then implement a targeted strategy to address them. It will be essential to build additional partnerships with health care employers throughout the region. The MiRSA proposes to use the data gathered through the confirming research described above as a starting point for discussions with a broad range of organizations and companies that employ LPNs and RNs, focusing on hospitals, but also including urgent care centers, same day surgery centers, specialized treatment facilities, doctor group practices, and nursing homes. Representatives from each employer stakeholder group will be invited to serve as members of the MiRSA leadership and a subset of that group will be recruited to serve as members of the MiRSA's executive committee.

Based on our current understanding of the basic strategic needs of the MiRSA, it is envisioned that several groups will be formed to work on three related components of the health care workforce challenge in our region:

1. Developing a sufficient supply of skilled workers to meet current and emerging demand.

2. Creating career ladders and appropriate training to help the existing workforce upgrade their skills and be competitive for promotions.

3. Identifying and addressing any barriers that contribute to a high drop-out rate among individuals enrolled in nurse training programs.

Increasing Supply. Developing an adequate supply of workers to meet anticipated employer demand. This may include efforts to recruit new entrants into the labor market, retain the current workers by upgrading their skills to match the needs of this rapidly changing workplace, and provide current employees with additional training that will enable them to follow a career path in the industry. Unfortunately, according to preliminary data, training institutions in the region are currently at full capacity and have established waiting lists. Additionally, some potential job candidates cannot access training in a reasonable time frame, do not meet the prerequisite requirements for entry into the training program, are unable to devote an extended amount of time to completing a multi-year training program, become discouraged, and pursue vocational areas in other industries or leave the state to access health care industry training opportunities.

Creating Career Ladders. The health care sector provides abundant opportunities for career progression. Yet, many employees apparently are not aware of their career options nor the steps necessary to be competitive for open positions. These employees need additional information and support to identify viable career paths and the education and skills needed to pursue them. In addition to a worker shortage, the health care industry is losing too many skilled workers due to burnout from work overload, mandatory overtime, etc., or individuals who are disenchanted with their occupational choice and leave the industry out of frustration not knowing options or alternatives.

Addressing Barriers to Program Completion. Anecdotal evidence from employers and training providers points to the problem of high drop-out rates, particularly for adult learners who must balance home and family responsibilities with education and training schedules and requirements. Yet, to date, little has been done to address the barriers that keep potential employees from pursuing their career goals. Creative approaches to providing students with the supports they need to complete their studies in a timely manner must be developed. For example, restructuring training programs into modules that stand alone or build on each other provides greater scheduling options for individuals and will accelerate the growth of the labor supply.

System-Building Goal

The immediate goals of the MiRSA are to identify and address the education, training, and support needs of current and potential employees in a timely manner in order to speed entry into available health care occupations. However, in a broader sense, the MiRSA seeks to establish a network of connections among all of the community partners who play important roles in addressing the workforce

needs of the health care sector in the region. Opening the lines of communication and stimulating discussion about shared workforce challenges is an important first step. Over the course of the MiRSA's initial years, it is anticipated that project partners (employers, education and training providers, the workforce system, and economic development organization officials) will form a much stronger strategic partnership, creating a basis for discussing and addressing other community health concerns.

Task List and Timeline

In summary, the MiRSA proposes to initiate action on a number of fronts to achieve its workforce and economic development goals. The specific actions and the anticipated timeline for conducting them are listed below:

General Objectives

Task 1.   Hire an MiRSA coordinator and finalize leadership and management plan (Month 1).

Task 2.   Build additional partnerships with community stakeholders and employers (Months 1-12).

Task 3.   Conduct broad scale outreach to area employers (Months 2-6).

Task 4.   Conduct additional research on health workforce needs of the region (Months 2-6).

Task 5.   Convene West Central Michigan Health Care Summit (Month 6).

Task 6.   Determine strategic priorities and finalize work plan, timelines, and evaluation plan (Months 2-8).

Task 7.   Conduct ongoing MiRSA leadership (quarterly) and workgroup (monthly) meetings (ongoing).

Task 8.   Conduct regular review of progress on key tasks, adjusting strategy and work plan as necessary based on feedback from stakeholders. (quarterly).

Task 9.   Create and implement a sustainability plan (Months 2-24).

Recruitment-Related Objectives

Task 1.   Assess the existing labor pool (Months 2-4).

Task 2.   Develop career ladders and career laterals (Months 4-16).

Task 3.   Develop a plan for transference of employment credentials (Months 8-12).

Task 4.   Set-up secondary career pathways (Months 12-18).

Task 5.   Develop employee communication strategies (Months 12-14).

Task 6.   Provide MWA case managers with information on targeted occupations (Months 3-6).

Task 7.   Develop and conduct community awareness and communication plan (Months 9-12).

Training-Related Objectives

Task 1.   Establish MiRSA workgroup (Month 2).

Task 2.   Develop and implement approach to analyzing training curricula for efficient credentialing (Months 3-4).

Task 3.   Modularize training curricula (Months 2-12).

Task 4.   Identify existing training program options, schedules, and prerequisites (Months 4-6).

Task 5.   Identify barriers to program completion (Months 4-8).

Task 6.   Conduct national scan to identify effective strategies for addressing barriers (Months 4-8).

Task 7.   Implement innovative approaches and measure effectiveness (Months 6-7).

Budget

The budget and staffing plan for the MiRSA assumes that the Human Resource Department managers from participating hospitals and other health care facilities will be actively involved in gathering the information necessary to meet the MiRSA's stated goals and objectives. It is important to note that the work plan focuses primarily on the development work necessary to develop an efficient and effective approach to preparing workers to complete training and take an important step along their career pathway. The actual cost of training for new employees will be shared by the Michigan Works! agency and area employers. Trainees may also qualify for financial aid packages available through training provider institutions. The cost of incumbent worker training will be assumed by the respective employers. A budget work sheet is provided on the following page.

MiRSA Budget Form

MiRSA Name: _____

GRANT FUNDS:	Year 1		Year 2		Year 3		Total	
Administrative Costs (Applicant):	Grant Funds	In-Kind/Cash	Grant Funds	In-Kind/Cash	Grant Funds	In-Kind/Cash	Grant Funds	In-Kind/Cash
Staff Time (salaries & fringes)								
Materials/Supplies/Facilities								
Travel								
Other (Specify)								
Sub Total Adminstrative								
Contractual/Program (Convener):								
Staff Time (salaries & fringes)								
Materials/Supplies/Facilities								
Travel								
Other (Specify)								
Sub Total Contractual								
Total Administrative and Program Costs								

Appendix C – Strategic Plan Outline

The outline for a strategic plan is about choices and setting direction. A sample strategic plan framework follows:

1. **Define the purpose and mission of the organization.** This may involve the development of a mission statement. A mission statement is a document that answers the following questions:

   a. Who are we?

   b. What needs do we intend to meet?

   c. Whose needs do we intend to meet?

   d. What do we intend to do to meet the needs (i.e., what services do we intend to provide)?

   e. What are our central values? (e.g., What do we believe in? What are we committed to? What is our philosophy/ideology?)

   Mission statements can be as short as a sentence or a paragraph. They are useful because they can be a foundation for what the organization is about.

   In a new project or service, it is important to identify what is intended to happen as a result. In an existing project or service, it is important to identify what is actually happening at the moment. Whether what is happening should continue will become a question throughout the strategic planning process and especially in steps 7 and 8.

2. **Identify current aims, objectives and strategy of the organization.** The aims of the organization are general statements of what it intends to achieve.

   Objectives are also statements of what the organization intends to achieve, however they are usually also specific, measurable, attainable and time bound.

   The strategy is the description of how the objectives are going to be met.

3. **Environmental analysis.** The purpose of an environmental analysis is to identify the ways changes in the environment can indirectly influence the organization.

   The environment could include other services, funding entities, other projects, government policy, community attitudes, and so on.

4. **Resource analysis.** This would include a statement of all resources that are available for the development of the organization, as well as resources that are available to implement the aims and objectives.

Resource analysis is also likely to include an analysis of the organization's strengths and weaknesses. Organizations can often successfully build on their strengths and develop strategies to minimize the negative effects of their weaknesses.

5. **Stakeholder analysis.** Who are the stakeholders? What are their needs? Wants? Expectations?

   Key stakeholders may include funding entities, clients, staff, management committee members, and volunteers. These people have a variety of views, values, and needs that will have an influence on the plans that are developed.

6. **Identification of strategic opportunities and threats.** These are the opportunities and threats that arise outside the organization.

7. **Identifying strategic choices.** After the environment has been analyzed and the strengths and weaknesses and opportunities and threats have been reviewed, it is possible to better see the results of the existing strategy. The organization can then identify strategic choices, such as whether or not to develop new strategies or modify the existing strategy.

8. **Strategic decision-making.** Choosing among the possible options.

9. **Implementation.** Once the most appropriate strategy has been chosen, it is implemented.

10. **Evaluation.** Evaluate the implementation and the level of success of the implementation of the strategy.

Appendix D - Evaluation Plan

The evaluation plan for this proposal is designed to serve as a continuing source of information about the development and operation of the MiRSA. Even though the proposed work plan does not include direct training, it is anticipated that in later phases of the MiRSA operation training will be offered. Hence, this evaluation plan includes a task for the development of a database to track training completion, placement, advancement, and retention.

The evaluation is designed to obtain data that will be helpful to answer several key strategic and operational questions about the MiRSA. An initial list of research questions is provided below. (Additional questions will be added once the partners have a chance to review and finalize the evaluation plan.)

Strategic Questions

➤ Are the strategic partners able to work together effectively to address the needs of the targeted industry sector?

➤ Are career ladders an effective approach for addressing shortages of LPNs and RNs?

➤ Is it feasible to develop interventions to address the barriers that contribute to high drop-out rates among trainees in LPN and RN programs?

➤ Can the MiRSA serve as a basis for addressing current and future workforce development needs of the targeted industry sector?

➤ Do employers see sufficient value in the MiRSA to continue the partnership at the completion of the grant period?

Operational Questions

➤ What were the primary barriers to forming partnerships with community stakeholders? What strategies were most effective in overcoming these barriers?

➤ What roles have employers played in the MiRSA? Are employers satisfied with the scope of their involvement? Are any changes needed to better meet their needs?

➤ Is the MiRSA developing according to the anticipated timeline? If not, what are factors have contributed to the change in timeline? How can these factors be addressed?

➤ What approaches were most effective in developing career ladders for the targeted occupations? Were any innovative approaches used to build ladders across employer organizations (e.g., from nursing homes to hospitals)?

- What information sources were most useful in obtaining information about the availability of education and training programs?
- Were any innovative approaches developed to accelerate program completion? How effective were they in addressing occupational shortages?
- What approach did the MiRSA take to make connections with the local Workforce Boards and One-Stop centers? Over the longer term, how can local One-Stops be utilized to address the needs of employers in the health care sector?

Data Sources

The data sources for the evaluation are aligned with the research questions shown above. Care will be taken to ensure that all data are collected on a regular basis so that any issues are addressed in a timely manner. The table below shows the anticipated data sources and the person who will be responsible for collecting the data. Additional measures and data sources will be developed through discussions among the MiRSA leadership team.

Project Component	Data Source	Collection Schedule	Person Responsible
Partnership barriers	Team Meetings	Monthly	Project Manager
Employer roles	Administrative documents, leadership team and workgroup meeting minutes	Monthly	Project Manager
Employer satisfaction	Employer Focus Groups and Interviews	Annual	Project Manager with external consultant
Career ladders	Employer HR officer interviews	Annual	Project Manager
Training program availability and design innovations	Administrative documents from training providers	Ongoing	Chair of education and training workgroup

As mentioned earlier in this section of the proposal, the MiRSA intends to build a database that will be used to track the effectiveness of efforts to prepare and place employees into openings identified by participating employers.

Most of the work associated with conducting the evaluation will be handled by the MiRSA project manager with assistance from the chairs of the MiRSA work groups. However, an external contractor will be used to develop and conduct the employer focus groups and to conduct interviews with selected employers.

Reporting

The evaluation findings will be reviewed on an ongoing basis and presented to the project executive committee for review at monthly meetings. The findings will be summarized into a briefing format and shared with the project leadership group at its quarterly meetings.

Appendix E: – Monthly Progress Report

NARRATIVE REPORTING INSTRUCTIONS

1. A monthly narrative progress report will be submitted to:

    > Michigan Department of Labor and Economic Growth
    > Attn: Bureau Director, Bureau of Workforce Programs
    > 5th Floor Victor Office Center
    > 201 North Washington Square
    > Lansing, Michigan 48913

2. Reports are due no later than the 20th calendar day after the end of the month being reported on (November 20, December 20, January 20, etc.). In situations where the 20th calendar day falls on a weekend or legal holiday, the monthly reports must be submitted no later than the last business day prior to the 20th calendar day after the end of the report period. In order to meet the fiscal deadlines established in the State of Michigan's year-end closing process, for the month ending September 30, the report is due on October 7.

3. At minimum, the monthly narrative report should contain:

    ➢ Objectives, goals, and outcomes as identified in the application;
    ➢ Progress made during the month toward achieving the objectives, goals and outcomes; and
    ➢ Comments, if applicable. Comments should include any unexpected barriers or obstacles encountered during the month.

4. Attachments to the narrative report should include:

    ➢ An agenda of MiRSA meetings that were conducted during the month;
    ➢ Copies of the MiRSA meeting minutes;
    ➢ Articles and publications resulting from work performed by the MiRSA; and
    ➢ Any other information related to the MiRSA, if applicable.

5. MiRSA Profile should include any additional cash or in-kind contributions or new member partners added during the month.

MiRSASM Monthly Status Report and Profile – Year 1

MiRSA Name: _____

Month Ending _____

MiRSA Objectives, Goals, or Outcomes	Anticipated Start Date(s)	Anticipated Completion Date (s)	Progress Made During the Month	Completion Date (s)	Comments

MiRSA Profile

MiRSA Name: _____Industry Sector: _____

Region Covered: _____

MiRSA Synopsis: _____

_____

_____

_____

Employer Cash/In-Kind Match Contributions: Other Partner Cash/In-Kind Contributions:

Initial Funding Pledged: $ _____   Initial Funding Pledged: $ _____

Additional Funds Pledged during Month: $ _____   Additional Funds Pledged during Month: $ _____

Total Funding Contributed to Date: $ _____   Total Funding Contributed to Date: $ _____

Industry Focus Areas:

- ❑ Skills development for existing workers (currently employed)
- ❑ Skills development for new workers (entering employment)
- ❑ Skills development for existing and new workers
- ❑ Industry and company-wide process / quality improvement
- ❑ Other (Specify) _____

New Employer Partners Added During the Month: **New Education Partners Added During the Month**:

Name: _____   Name: _____

Company: _____   Organization:_____

Other Partners Added During the Month:

Name: _____   Name: _____

Organization: _____   Organization: _____